

SHOW ME STRONG RECOVERY TASK FORCE REPORT



PRESENTED DECEMBER 2021



TO THE HONORABLE MICHAEL L. PARSON, GOVERNOR OF MISSOURI:

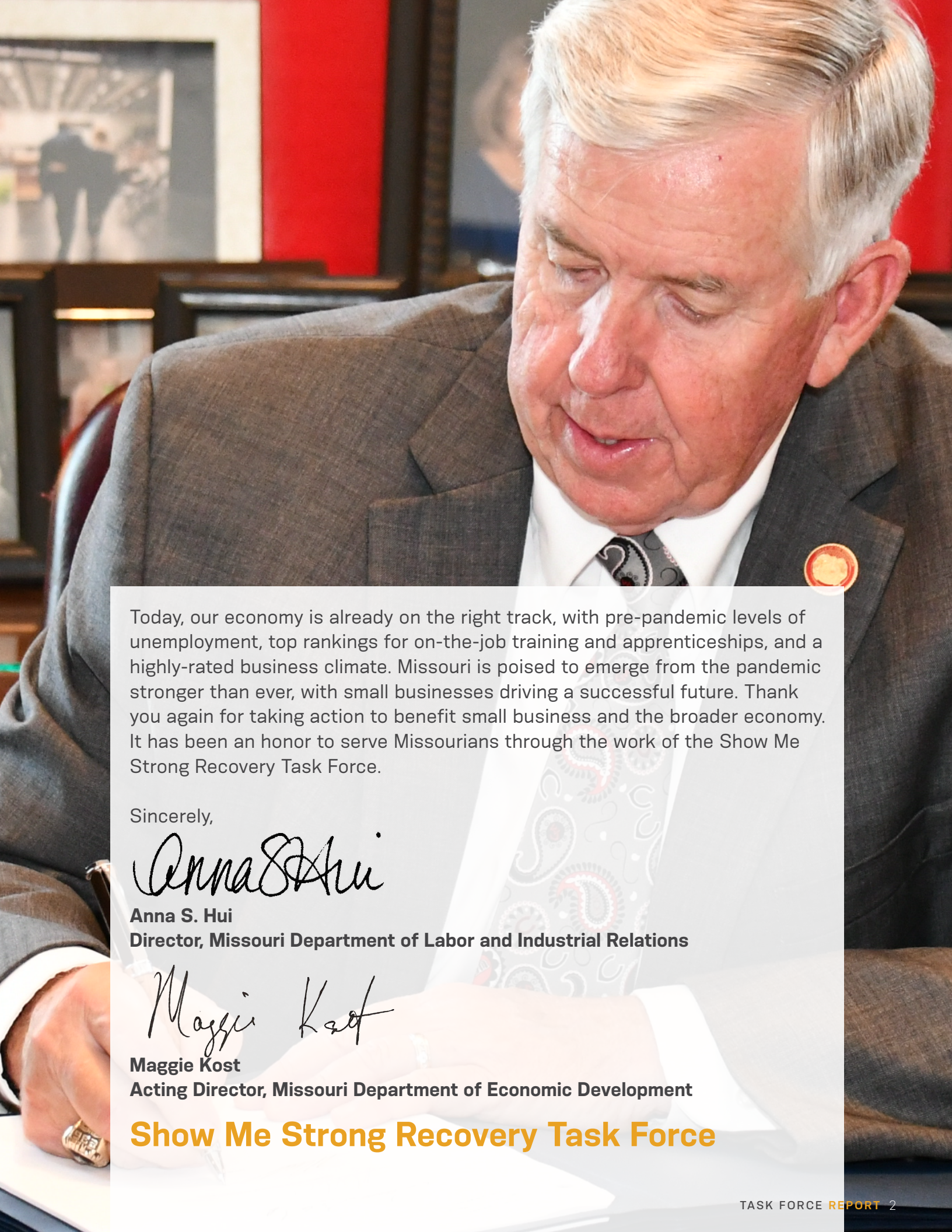
On behalf of the members of the Show Me Strong Recovery Task Force, thank you for the opportunity to study and develop recommendations on ways to support small businesses, including minority and women-owned businesses across Missouri. As you know, small businesses are the heartbeat of our economy, with 94 percent of Missouri establishments considered small businesses. Their health is vital to our state's well-being.

The COVID-19 pandemic has challenged every facet of Missouri's economy. Small businesses have been hit hard, especially in sectors like retail and hospitality. Minority-owned businesses have also struggled, facing challenges in accessing capital even before the pandemic. Yet all throughout our work, Task Force members learned of common problems that businesses of all types are facing. Consistent with your administration's priorities, we found that workforce challenges remain the top concern of businesses statewide.

Our Task Force members also appreciate just how busy small business owners are. Business owners need resources that are easy to access and programs tailored to their needs. We've also found that many small business owners are simply unaware of the many Missouri programs ready to serve small businesses. Through this Task Force we've listened to small business owners, learned about their needs, and explored ways state agencies can partner with them as they pursue success.

Our efforts included a seven-city listening tour during which we heard directly from nearly 200 small business leaders. Our listening tour was complemented by a survey led by the Federal Reserve Bank of St. Louis. The survey provided needed data and broadened our understanding of Missouri small businesses' challenges, concerns, and needs. The listening tour findings and survey results enabled us to craft recommendations organized into five common themes.

Throughout this process, we also witnessed firsthand the strength of Missourians. The citizens of our state are determined to fully recover, grow, and thrive.



Today, our economy is already on the right track, with pre-pandemic levels of unemployment, top rankings for on-the-job training and apprenticeships, and a highly-rated business climate. Missouri is poised to emerge from the pandemic stronger than ever, with small businesses driving a successful future. Thank you again for taking action to benefit small business and the broader economy. It has been an honor to serve Missourians through the work of the Show Me Strong Recovery Task Force.

Sincerely,



Anna S. Hui

Director, Missouri Department of Labor and Industrial Relations



Maggie Kost

Acting Director, Missouri Department of Economic Development

Show Me Strong Recovery Task Force

the TASK FORCE

On March 22, 2021, Governor Mike Parson signed Executive Order 21-06, creating the Show Me Strong Recovery Task Force. The executive order recognizes that businesses have experienced significant financial losses as a result of the COVID-19 pandemic, with disproportionate impacts to small businesses, including minority and women-owned businesses.

From Executive Order 21-06:

The purpose of the Show Me Strong Recovery Task Force shall be to study and develop recommendations on ways to support small businesses, including minority-owned businesses, throughout the state. The Task Force shall also consider ways to better engage minority-owned businesses through existing economic development tools.

Ten members representing a cross section of industries and business organizations from across Missouri were appointed by Governor Parson to serve as members of the Task Force.





Show Me Strong Recovery Task Force members with First Lady Teresa Parson and Governor Parson.

Task Force Members

COREY BOLTON, Missouri Office of Equal Opportunity

SIMONE CURLS, Prospect Business Association

ANNA HUI, Missouri Department of Labor

GREG HUNSUCKER, V's Italiano Ristorante

MAGGIE KOST, Missouri Department of Economic Development

DR. MARDY LEATHERS, Office of Workforce Development

VENUS MARTZ, Greater North County Chamber of Commerce

GABRIELA RAMÍREZ-ARELLANO, Cortex Innovation Community

ROD REID, Shepherd Hills Factory Outlets

CICI ROJAS, Tico Productions and Tico Sports, LLC

LISTENING TOUR



The Listening Tour Journey

The Task Force members embarked on their journey to study the impacts of the pandemic on small business owners, which included four regular meetings and a seven-city listening tour.

It was imperative for the Task Force members to hear directly from business owners **(50 employees or less)** through a variety of ways, including surveys, panel discussions and breakout sessions.



Nearly 200 small businesses participated.

Businesses across all regions are facing.

- Workforce availability
- Supply chain issues

SEVEN CITY LISTENING TOUR

Kirksville - August 27

Kansas City - September 8

Columbia - September 16

St. Louis - September 20

St. Joseph - September 23

Cape Girardeau - September 30

Springfield - October 14



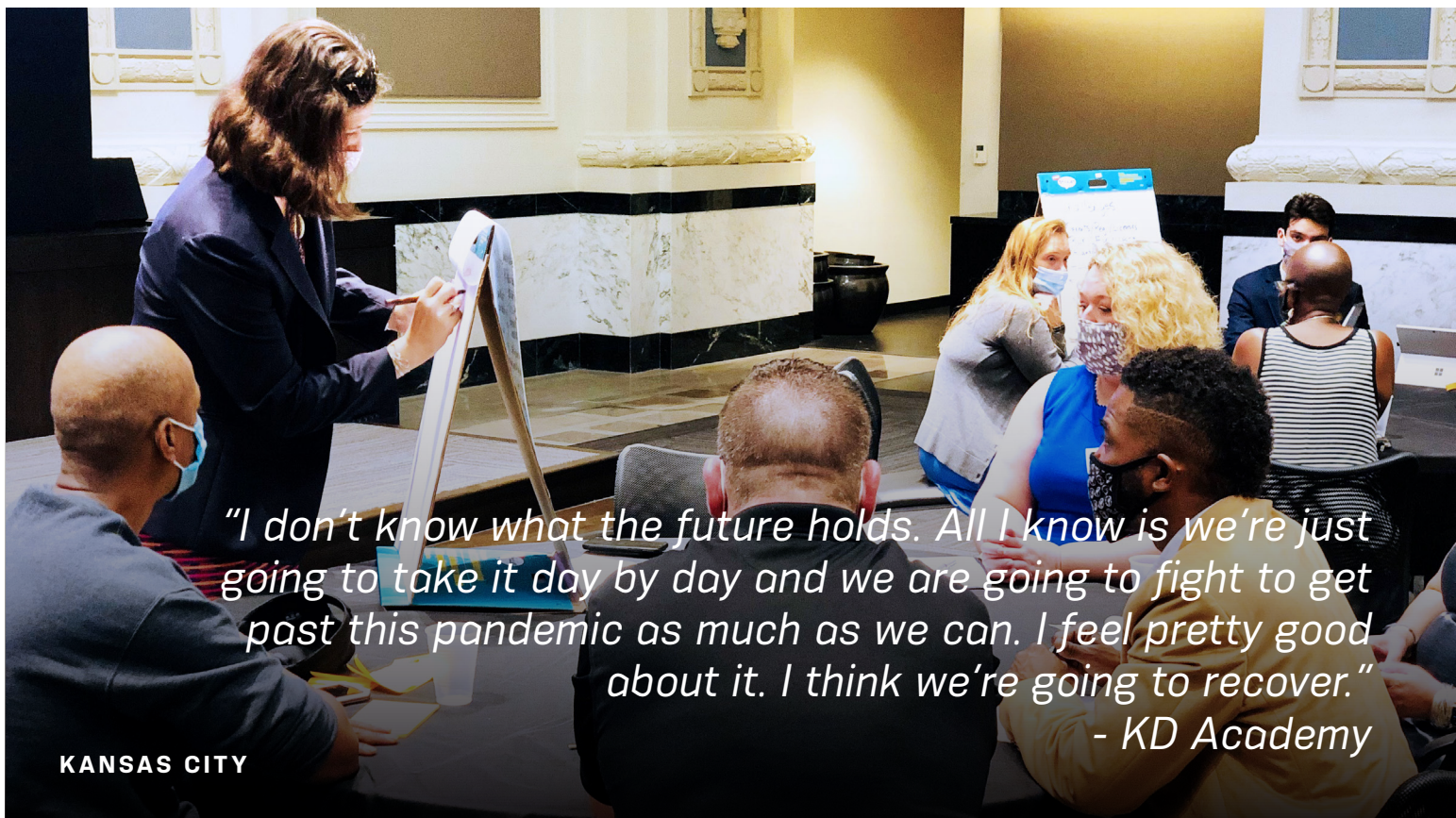
LISTENING TOUR

Panel discussions and breakouts were held at each city



"While the unemployment benefits were much needed during the six-week shutdown, we were grateful when Governor Parson ended the pandemic related unemployment to encourage Missourians to re-join the workforce."
- Reflections 2000 Salon

KIRKSVILLE



"I don't know what the future holds. All I know is we're just going to take it day by day and we are going to fight to get past this pandemic as much as we can. I feel pretty good about it. I think we're going to recover."

- KD Academy

KANSAS CITY



"The ability to sell to-go cocktails allowed us to generate much needed income during the hardest weeks of the pandemic."

- Günter Hans European Pub & Café

COLUMBIA



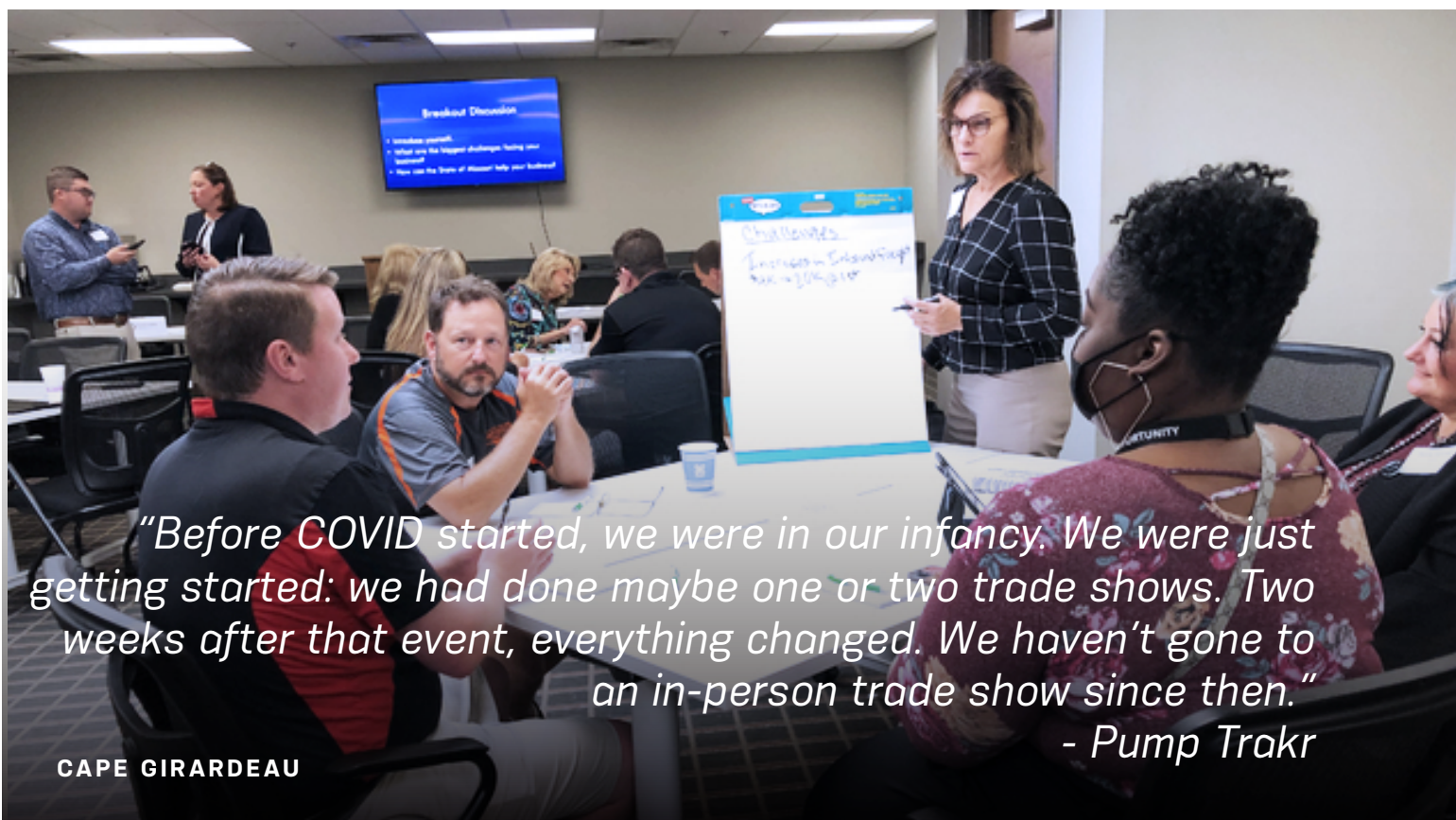
"What I love about Missouri is it's still growing. It's still thriving, especially for young black business owners, so I'm here to stay."
- Nettie Kelley Makeup Lounge & Boutique

ST. LOUIS



"Our challenges, it all relates to the supply chain and every business that we depend on is experiencing the same thing."
- River Bluff Brewing

ST. JOSEPH



"Before COVID started, we were in our infancy. We were just getting started: we had done maybe one or two trade shows. Two weeks after that event, everything changed. We haven't gone to an in-person trade show since then."

- Pump Trakr

CAPE GIRARDEAU



"My goal is not just to get back to where we were prior to the pandemic. The goal is to get beyond that."

- Oke-Thomas + Associates, Inc.

SPRINGFIELD



ABOUT THE SURVEY

The Task Force worked closely with the Federal Reserve Bank of St. Louis to create, distribute and analyze the impact of the pandemic on small businesses across Missouri.

[View full survey results](#)

THE SURVEY:

294 small business leaders completed the survey

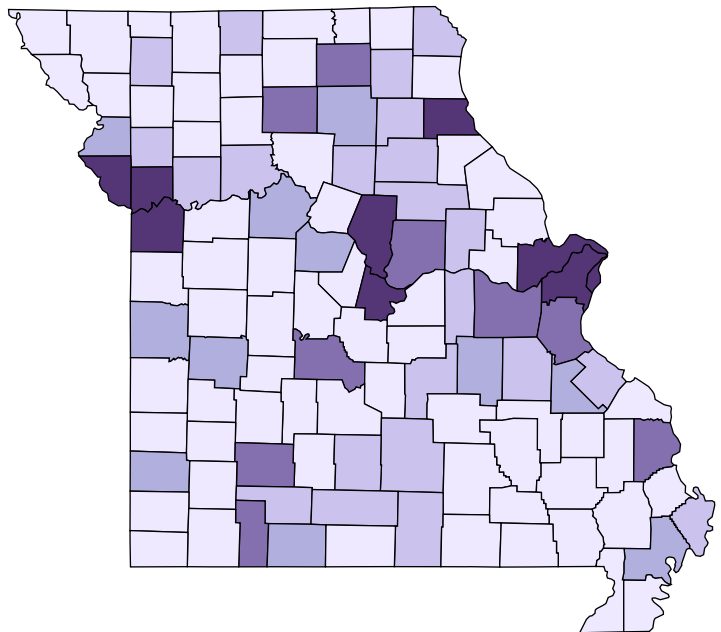
Survey dates: Sep. 20 – Oct. 3, 2021

The survey reached a broad cross-section of small businesses

- 26% of survey respondents were Black, Hispanic, or Asian American.
- 41% were women
- Survey spanned across industries including harder-hit businesses such as hospitality and retail.

Minority-owned businesses were struggling with access to capital before the pandemic

- For example, 53% of white-owned firms had no difficulty accessing capital before the pandemic, but only 25% of minority and Hispanic-owned firms could say the same. This likely impacted pandemic outcomes.





Small businesses in industries like hospitality and retail have been particularly hard hit throughout the pandemic.



More than half of the firms did not expect their revenues to recover to pre-pandemic levels for at least one year.

- 17% did not believe they would ever recover to that level.
- The more pessimistic firms are in the hospitality and retail industries.



30% of small businesses reported an operating capacity decrease of 25% or more. For hospitality, it was a 46% decrease.



Reasons for decreased operating capacity (in order)

- Difficulty hiring
- Supply chain issues
- Unavailable workforce



90% of business owners that cited labor shortages as a concern have increased wages in an effort to retain and recruit employees.



49% of businesses plan to increase marketing and sales in the near term.



Almost 60% of business leaders would like financial assistance such as loans, incentives or grants.

TASK FORCE SUMMARY

Five themes emerged from the listening tour and survey that guided task force recommendations



Workforce



Support for minority & women-owned businesses



Business access to resources



Supply chain



Broadband access

RECOMMENDATIONS

WORKFORCE

- Ease the workforce shortage by improving childcare availability and affordability.

- Increase awareness and access to On-the-Job Training (OJT) opportunities for small businesses, especially minority and women-owned businesses and hard-hit industries.

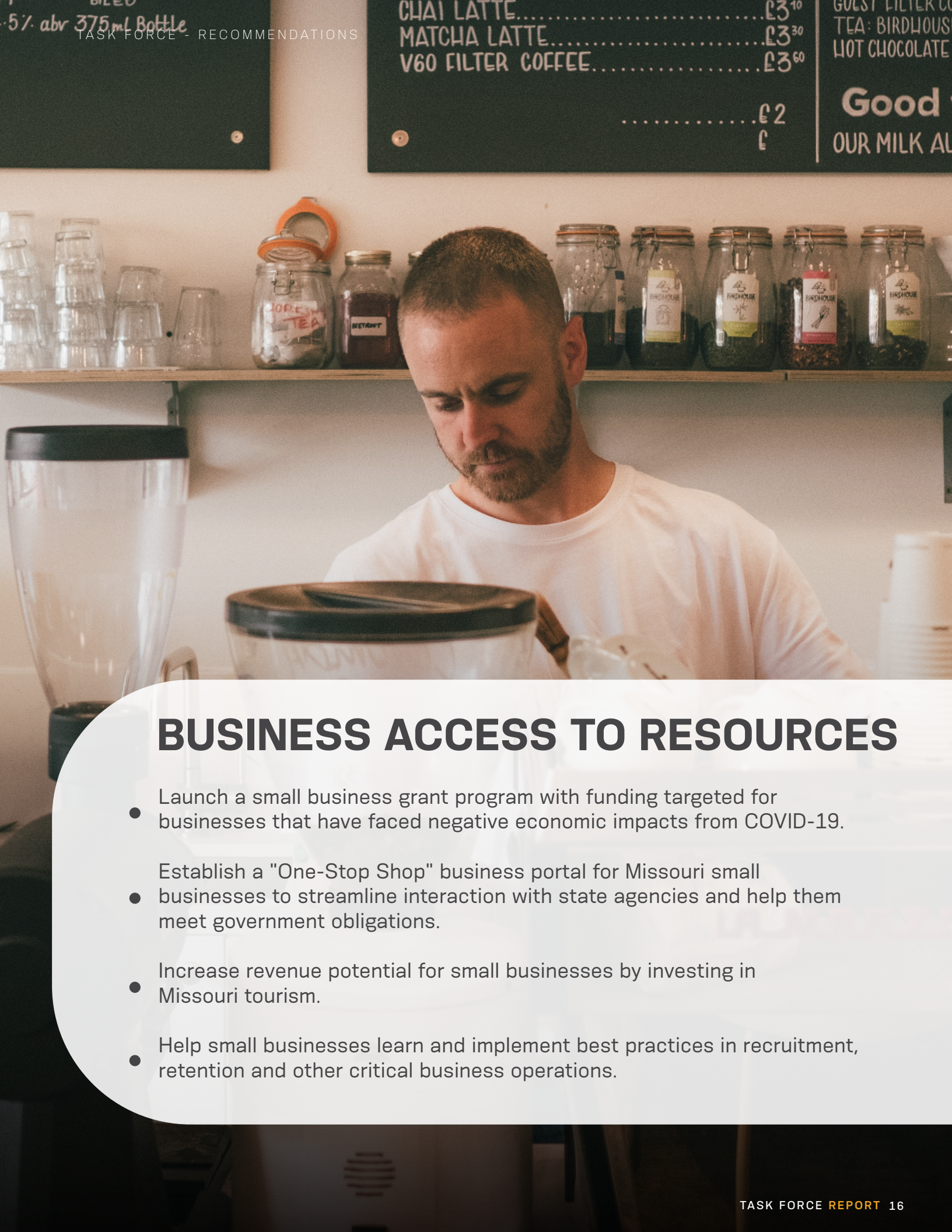
- Expand and promote hospitality industry apprenticeships.

- Ease the workforce shortage by updating and promoting the Fast Track program.



SUPPORT FOR MINORITY & WOMEN-OWNED BUSINESSES

- Launch a small business grant program with funding targeted for minority and women-owned businesses.
- Ensure business owners from disadvantaged backgrounds access Missouri's State Small Business Credit Initiative (SSBCI).
- Increase the number of minority and women-owned businesses (M/WBEs) engaging in services offered by Missouri's Office of Equal Opportunity, in order to increase the use and award of contracts to M/WBEs.
- Better promote the Department of Economic Development's business development programs to minority and women-owned businesses.
- Increase the local reach of Small Business Development Centers (SBDCs), especially to minority and women-owned businesses and hard-hit industries.



BUSINESS ACCESS TO RESOURCES

- Launch a small business grant program with funding targeted for businesses that have faced negative economic impacts from COVID-19.
- Establish a "One-Stop Shop" business portal for Missouri small businesses to streamline interaction with state agencies and help them meet government obligations.
- Increase revenue potential for small businesses by investing in Missouri tourism.
- Help small businesses learn and implement best practices in recruitment, retention and other critical business operations.

SUPPLY CHAIN

- Help businesses connect with Missouri suppliers by promoting the "Buy Missouri" program.
- Develop workforce strategies for supply chain-critical fields such as manufacturing, distribution, and commercial trucking.
- Support the work of Governor Parson's Missouri Supply Chain Task Force focused on identifying and solving supply chain issues.





BROADBAND ACCESS

- Establish a Broadband Infrastructure Program that invests in connecting more Missourians to high-speed internet.
- Establish a cell tower program to expand wireless networks across Missouri.
- Establish and support digital literacy programs.
- Support and leverage emerging broadband affordability programs.

THANK YOU TO OUR LISTENING TOUR PARTNERS



KIRKSVILLE

KIRKSVILLE REGIONAL ECONOMIC DEVELOPMENT, INC.



CURT HARRISON – Harrison Fishery, Inc.

STEPHANIE MCGREW – Lone Star Physiques, The Ville Escape Room

CHARLENE SHAHAN – Reflections 2000

ALVARO RAMÍREZ – La Pa Bar & Grill

KANSAS CITY

GREATER KANSAS CITY CHAMBER OF COMMERCE



MYRON MCCANT – KD Academy

PENNY DALE-MCCANT – KD Academy

NICOLE ORTEGA – Clothz Mindred

Artisan Technology Group – **MIKE ZIMMERMAN**

Rissa's Artistic Designs – **CLARISSA KNIGHTEN**

Anton's Taproom & Restaurant – **ANTON KOTAR**

COLUMBIA

COLUMBIA CHAMBER OF COMMERCE MISSOURI STATE HIGH SCHOOL ACTIVITIES ASSOCIATION



A2D Events – **ADONICA COLEMAN**

Logboat Brewing Company & Waves Cider Company – **TYSON HUNT**

Günter Hans European Pub & Café – **LYDIA MELTON**

La Terraza & Go Fresco – **LUIS RAMIREZ**

ST. LOUIS

GREATER NORTH COUNTY CHAMBER OF COMMERCE
ST. LOUIS COMMUNITY COLLEGE – FLORISSANT VALLEY



YOLANDA ALLEN JACKSON – A Savvy Employment / A Savvy Health

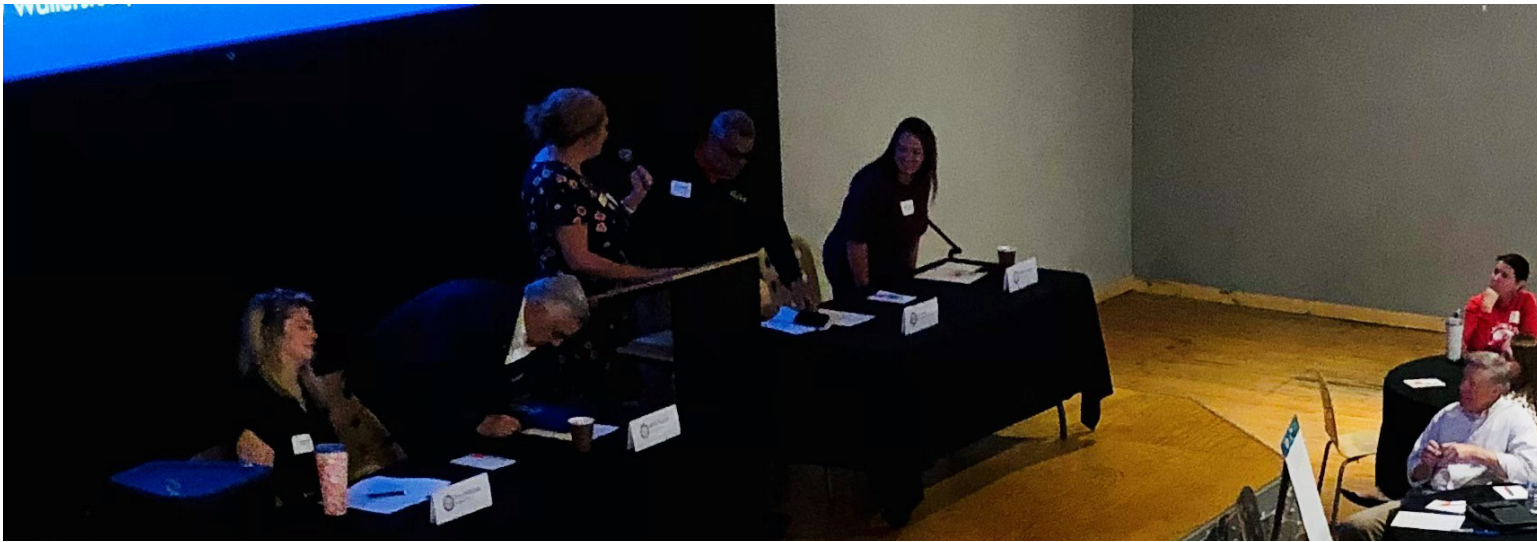
NETTIE KELLEY – Nettie Kelley Makeup Lounge & Boutique

MIKE MOEHLINKAMP – Gary's Auto Service

KITT CORBIN – La Patisserie

ST. JOSEPH

ST. JOSEPH CHAMBER OF COMMERCE



EDISON DERR – River Bluff Brewing

WHITNEY LOEHNIG – Adams Bar & Grill

PAT MODLIN – Felix Street Gourmet and Room 108

TERRY MODLIN – Felix Street Gourmet and Room 108

MARTIAL THEVENOT – Team Perka Buildings

CASEY WALLERSTEDT – Mod Podge Boutique

CAPE GIRARDEAU

CAPE GIRARDEAU AREA CHAMBER OF COMMERCE



NIKKI BURTON – Blackbird Monogram & Gift

CHRIS CARNELL – Codefi

MICHELLE HOHLER – Campus Auto & Tire

Pump Trakr – **NATHAN HOLMES**

Bug Zero – **CHRIS HORRELL**

Emory's Processing – **ANTON KOTAR**

SPRINGFIELD

SPRINGFIELD AREA CHAMBER OF COMMERCE



Erlen Group – **CHRISTINA ANGLE**

Grooms Office Environments – **AUDREY GARARD**

Hammons Products Co. – **BRIAN HAMMONS**

Sumits Hot Yoga Springfield – **STEPHANIE LEWIS**

Sumits Hot Yoga Springfield – **NIKKI LOVE-ADKINS**

Oke-Thomas + Associates – **JOHN OKE-THOMAS**

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KIM RANDOLPH – Heartland Black Chamber of Commerce

GREG TUCKER – Missouri Small Business Development Centers

JESSIE YANKEE – Missouri Women's Business Center

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